

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Debt Management License
3 of:

4 **FAMILY FINANCIAL EDUCATION**
5 **FOUNDATION and WILLIAM R. CLUNY,**
6 **PRESIDENT**
7 724 Front St., Suite 340
Evanston, WY 82930

No. 10F-BD114-SBD

**ORDER OF SUMMARY SUSPENSION
AND NOTICE OF OPPORTUNITY FOR
HEARING**

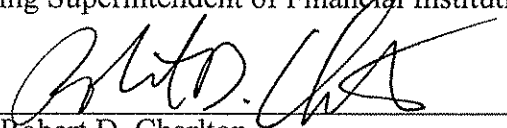
Respondents.

8 The Arizona Department of Financial Institutions (the "Department") hereby finds that
9 Family Financial Education Foundation and William R. Cluny, President, ("Respondents") have
10 violated the provisions of the Arizona Revised Statutes ("A.R.S."), Title 6 as set forth below and
11 finds that the public health, safety and welfare require emergency action pursuant to A.R.S. §§ 6-708
12 and 41-1092.11(B).

13 **THEREFORE, IT IS ORDERED** to summarily suspend the Arizona debt management
14 license held by Respondents. **This suspension is effective immediately.**

15 EFFECTIVE this 18th day of February, 2010.

16 Thomas L. Wood
17 Acting Superintendent of Financial Institutions

18 By 
19 Robert D. Charlton
20 Assistant Superintendent of Financial Institutions

21 PLEASE TAKE NOTICE that, pursuant to Titles 6 and 41 of the Arizona Revised Statutes
22 and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."), Respondents are hereby
23 notified that they are entitled to a hearing to contest the allegations set forth in this Order. The
24 Request for Hearing shall be filed with the Arizona Department of Financial Institutions (the
25 "Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this Order and
26 shall identify with specificity the action or order for which review is sought in accordance with

1 A.R.S. § 41-1092.03(B).

2 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or
3 her own behalf or by counsel. If Respondents is represented by counsel, the information required by
4 A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a Request
5 for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for hearing in
6 accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request reasonable**
7 **accommodations such as interpreters, alternative formats, or assistance with physical**
8 **accessibility.** Requests for special accommodations must be made as early as possible to allow time
9 to arrange the accommodations. If accommodations are required, call the Office of Administrative
10 Hearings at (602) 542-9826.

11 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.
12 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled
13 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
14 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
15 Department will be present (the "Department Representative"). Please note that in requesting an
16 Informal Settlement Conference, Respondents waive any right to object to the participation of the
17 Department Representative in the final administrative decision of this matter, if it is not settled. In
18 addition, any written or oral statement made by Respondents at such informal settlement conference,
19 including written documentation created or expressed solely for purposes of settlement negotiations,
20 are inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules
21 regarding informal settlement conferences.) Conversely, any written or oral statement made by
22 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
23 Department in any subsequent hearing.

24 If Respondents do not request a hearing, this Order shall become final. If Respondents
25 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
26 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the

1 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time
2 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
3 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-
4 132; (3) the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-708; and (4) an
5 order or any other remedy necessary or proper for the enforcement of statutes and rules regulating
6 debt management companies pursuant to A.R.S. §§ 6-123 and 6-131.

7 FINDINGS

8 1. Respondent Family Financial Education Foundation is a Wyoming non-profit entity
9 authorized to transact business in Arizona as a debt management company, license number DM
10 0907196, within the meaning of A.R.S. §§ 6-701, *et seq.* The nature of Family Financial Education
11 Foundation's business is that of receiving money, or evidences thereof, in this state or from a
12 resident of this state as agent of a debtor for the purpose of distributing the same to his creditors in
13 payment or partial payment of his obligations, within the meaning of A.R.S. § 6-701(4).

14 2. Pursuant to A.R.S. § 6-704(B), Respondents are required to have a surety bond.

15 3. On January 13, 2010, the Department received notification from Great American
16 Insurance Company stating that Family Financial Education Foundation's surety bond, number
17 FS5873469 in the amount of \$20,000.00, was to be cancelled effective February 11, 2010.

18 4. On January 20, 2010, the Department sent notificaiton to Respondents, to the address
19 on record with the Department, informing them of the bond cancellation.

20 5. Respondents failed to provide documentation regarding the reinstatement of their
21 bond or documentation of a new surety bond.

22 6. Respondents do not have the required surety bond in order to conduct business as a
23 debt management company.

24 7. The conduct described above constitutes an immediate threat to the public health,
25 safety, and welfare warranting immediate suspension of Respondent's debt management license.

26 8. The conduct described above constitutes grounds for the suspension of Respondent's

1 debt management license.

2 LAW

3 1. Pursuant to A.R.S. Title 6, Chapter 6, the Superintendent has the authority and duty to
4 regulate all persons engaged in the debt management business and with the enforcement of statutes,
5 rules, and regulations relating to debt management companies.

6 2. By the conduct set forth in the Findings, Respondents have failed to maintain the
7 surety bond required by A.R.S § 6-704(B).

8 3. Pursuant to A.R.S. §§ 6-708 and 41-1092.11(B), the conduct described above
9 constitutes an immediate threat to the public health, safety and welfare warranting immediate
10 suspension of Respondent's debt management license.

11 4. Respondents have not conducted business in accordance with the law and have
12 violated Title 6, Chapter 6, which constitutes grounds for the suspension or revocation of
13 Respondent's license pursuant to A.R.S. § 6-708(B)(2).

14 5. The violations, set forth above, constitute grounds for the pursuit of any other remedy
15 necessary or proper for the enforcement of statutes and rules regulating debt management companies
16 in Arizona pursuant to A.R.S. §§ 6-123 and 6-131.

17 6. Pursuant to A.R.S. § 6-132, Respondent's violations of the aforementioned statutes
18 are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation
19 for each day.

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1 WHEREFORE, if Respondents do not request a hearing to contest the above Findings or
2 produce evidence of a valid surety bond, Respondent's license shall remain suspended unless and
3 until reinstated or until said license expires by operation of law.

4 DATED this 18th day of February, 2010.

5 Thomas L. Wood
6 Acting Superintendent of Financial Institutions

7 By 
8 Robert D. Charlton
9 Assistant Superintendent of Financial Institutions

10 ORIGINAL of the foregoing filed this 18th
11 day of February, 2010, in the office of:

12 Thomas L. Wood
13 Acting Superintendent of Financial Institutions
14 Arizona Department of Financial Institutions
15 ATTN: Susan Longo
16 2910 N. 44th Street, Suite 310
17 Phoenix, AZ 85018

18 COPY mailed/delivered same date to:

19 Craig A. Raby
20 Assistant Attorney General
21 Attorney General's Office
22 1275 West Washington
23 Phoenix, AZ 85007

24 Richard Fergus, Licensing Division Manager
25 Robert D. Charlton, Assistant Superintendent
26 Arizona Department of Financial Institutions
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

AND COPY MAILED SAME DATE, by
Certified Mail, Return Receipt Requested to:

Family Financial Education Foundation
Attention: William R. Cluny, President
724 Front St., Suite 340
Evanston, WY 82930
Respondent

1 Corporation Service Company, Statutory Agent
2 Family Financial Education Foundation
3 2338 W. Royal Palm Rd., Suite J
4 Phoenix, AZ 85021

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By: Susan Longo